

# TRANSPORTATION

<Overview  
<FAA Funding  
<United States Coast Guard  
<Amtrak

## OVERVIEW

### Summary of Transportation Proposal

The President's fiscal year 2001 transportation budget request is \$54.9 billion, an increase of \$4.7 billion (9 percent) over the \$50.2 billion fiscal year 2000 enacted level. More than \$29.3 billion (53 percent of all transportation spending) is provided to Federal-aid Highways under the guaranteed funding provisions of the Transportation Equity Act for the 21<sup>st</sup> Century [TEA-21]. The administration proposes to dedicate \$741 million (24 percent) of the \$3.06 billion in Revenue Aligned Budget Authority (based on higher than anticipated highway trust fund revenues) on primarily non-highway transportation initiatives.

## FAA FUNDING

### Background

The 2001 Federal Aviation Administration budget requests \$11.222 billion for fiscal year 2001, an increase of \$1.281 billion (13 percent). More than half of the increase is \$699 million (12 percent) for Operations (which funds salaries and maintenance of equipment). The Facilities and Equipment account is proposed to receive \$2.5 billion, an increase of \$450 million (22 percent) over fiscal year 2000, for modernization of the national air traffic control system. The budget requests \$184 million for Research, Engineering, and Development, an increase of \$28 million (18 percent) over fiscal year 2000. The President's fiscal year 2001 budget also proposes freezing Airport Improvement Program [AIP] grants at the fiscal year 2000 level of \$1.95 billion (not including the .38 percent across-the-board reduction called for in P.L. 106-113 that totaled \$54 million). The budget request also includes \$965 million in new user fees.

### Key Points

- < The President's request for Operations is \$6.592 billion, \$142 million more than the fiscal year 2001 level of \$6.45 billion proposed in the ongoing House-Senate aviation authorization conference.

- < The President's request for Facilities and Equipment is \$2.495 billion, \$304 million less than the fiscal year 2001 level of \$2.799 billion proposed in the ongoing House-Senate aviation authorization conference.
- < The President's request for Research, Engineering, and Development is \$184 million, \$53 million less than the fiscal year 2001 level of \$6.45 billion proposed in the ongoing House-Senate aviation authorization conference.
- < The President's request for Airport Improvement Program grants is \$1.95 billion, \$1.25 billion less than the fiscal year 2001 level of \$3.2 billion proposed in the ongoing House-Senate aviation authorization conference.
- < In sum, the President's request is \$1.464 billion less than the spending proposed in the ongoing House-Senate aviation authorization conference.

## **UNITED STATES COAST GUARD**

### **Background**

The administration's budget requests \$4.609 billion for fiscal year 2001, an increase of \$571 million (14 percent) over fiscal year 2000. Almost \$3.2 billion is for Coast Guard operations, an increase of \$260 million (9 percent). The capital budget proposal is for \$520 million, an increase of \$133 million (34 percent) over fiscal year 2000.

### **Key Points**

- < The Coast Guard is now planning the largest acquisition project in its history. Called the Deepwater Capability Replacement Project, this effort involves replacing or modernizing many of the Coast Guard's 92 ships and 209 airplanes and helicopters. Teams of contractors are developing competing proposals for the Coast Guard's consideration. For initial planning, the Coast Guard estimates the project at \$9.8 billion over 20 years. The Coast Guard's proposed capital budget includes \$42 million for the Deepwater Capability Replacement Analysis. The GAO has reported that the Deepwater Project's justification and affordability needs to be reexamined more thoroughly.
- < The Coast Guard's proposed capital budget also includes \$124 million for three seagoing buoy tenders, \$110 million for a new Great Lakes icebreaker and \$36 million for helicopters.
- < The budget request also includes \$212 million in new user fees.

## **AMTRAK**

### **Background**

The administration's budget requests \$989 million for Amtrak in fiscal year 2001, an increase of \$418 million (73 percent) over fiscal year 2000. As part of that total, the President is proposing a new \$468 million Expanded Intercity Rail Capital Initiative, to be funded from Highway Trust Fund Revenue Aligned Budget Authority.

### **Key Points**

- < The Expanded Intercity Rail Capital Initiative is intended to provide matching grants to States for high-speed rail service infrastructure improvements. The House Transportation and Infrastructure Committee has, however, consistently opposed the use of RABA funds for non-highway purposes.
- < Since its creation in 1971, Amtrak has accumulated massive financial losses, with recent losses averaging more than \$800 million per year. To help Amtrak sustain operations and make needed capital investments, the federal government has provided Amtrak nearly \$23 billion in financial assistance since 1971.
- < Amtrak spends almost \$2 for every dollar of revenue that it earns providing intercity passenger service. GAO's review of the financial performance of Amtrak's current routes found that only high-speed service on the Metroliner between New York City and Washington, D.C., is profitable. All of Amtrak's other 39 routes operate at a loss.
- < Amtrak suffered operating losses of \$938 million in fiscal year 1998 and \$907 million in fiscal year 1999.